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The Intersection of Governance and Citizenship in Canada: Not Quite the Third Way

August 2006

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Biographical notes

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Summary

The notion that the philosophy of governing in Canada has shifted from one of new public management (NPM) to one of shared governance, as it has in other democratic countries, is now widely accepted. Shared governance entails collaboration among a wide range of actors from the public, private and voluntary sectors, and a transformation of the state's role from one of exercising direct control and operating through hierarchies to one of working through networks. If governing has become, in fact, more collaborative and inclusive, the model of citizenship that underpins it should also have been redesigned accordingly. The citizenship regime should encourage citizens and civil society organizations to identify themselves as and develop their capacity to participate as political actors in policy development.

In this paper Susan Phillips explores the changing relationships between government, particularly the federal government, and the voluntary sector in Canada and the implications of this changing relationship for governance and citizenship. Unlike in Britain, where an active reconfiguration of the relationship between the state and the voluntary sector was a cornerstone of New Labour's "Third Way" approach to governing, in Canada the citizenship regime has not been purposively reformed in ways that enable voluntary organizations and citizens to participate more fully in governing. Therefore, we need to be careful in taking it as empirical fact that governance in Canada is actually more shared and collaborative at all.

The first section of the paper examines the concept of governance and outlines three very different ways in which shared control and expanded democracy might be configured, depending on the extent to which emphasis is placed on governments, networks or citizens. *Community government* emphasizes more citizen involvement in policy-making through devolution of power to governments or agencies that are closer to the community. *Network governance* focuses on building and managing networks and partnerships among governmental and nongovernmental players. *Citizen governance*, which goes the furthest in decentralizing control from governments to civil society, necessitates the creation of new institutions and policy frameworks that enhance dialogue and collaboration. To what extent has Canada carved out a distinctive approach to government-voluntary sector relationships in the post-NPM era? Does the "Canadian way," to the extent it exists, more closely follow one of these three alternative models of governance?

In taking a critical look at how the relationship between the federal government and the voluntary sector has evolved in recent years, Phillips argues that

governing is not as shared, at least with respect to policy development, as the theory and popular conceptions suggest. A homegrown Canadian approach to government-voluntary sector relationships has developed, but it is not the result of a strong philosophy of governing and has been shaped more by exogenous events than by a desire to develop and support new modes of shared governance.

Although the federal government does now talk about a distinctive "Canadian way" of governing, there are three peculiarly Canadian challenges that have placed significant limits on how much power the federal government has been willing to share with voluntary sector actors. The first is our all-consuming concern with accountability. Over the past five years, the federal government's tightening of the accountability requirements in public funding of the voluntary sector has meant that the contractual basis of the relationship, which was dominant under NPM, has been reinforced, rather than evolving into one based on trust.

Second, Canada has not developed or remodelled the architecture that supports the capacity of voluntary organizations to collaborate effectively in governing. In particular, the enabling legislative and regulatory environment that would help voluntary organizations become effective governing partners is still not in place.

Third, the view that this sector's primary role is to provide services has constrained the building of networks and participation in policy processes. The voluntary sector itself has been overwhelmed by the expansion of its role as service provider — a role that involves considerable co-production and collaboration as well as competition — and consequently has not focused on building its own policy capacity in order to participate in governance rather than merely in implementation.

The challenges of both citizenship and governance converge on building stronger relationships among citizens and between them and the state, and the voluntary sector has a key role to play in that process. But Canada has yet to realize the potential of shared governance. In effect, we have only moved part way toward a Third Way.

Résumé

On admet généralement aujourd'hui que la nouvelle gestion publique (NGP) a cédé le pas à la gouvernance partagée en tant que principe de base sous-tendant l'exercice du pouvoir au Canada, comme cela s'est d'ailleurs produit dans d'autres pays démocratiques. La gouvernance partagée repose sur la collaboration entre un grand nombre d'acteurs des secteurs public, privé, bénévole et communautaire de même que sur la transformation du rôle de l'État. Ce dernier, plutôt que de maintenir un contrôle direct et d'exercer son action au moyen de structures hiérarchiques, s'emploie désormais à œuvrer par l'intermédiaire de réseaux. Si, dans les faits, l'acte de gouverner repose davantage sur la collaboration et l'inclusion, on s'attendrait à ce que le modèle de citoyenneté sur lequel il repose ait lui aussi été remanié en conséquence. Le régime de citoyenneté devrait encourager les citoyens et les organisations de la société civile à exercer un rôle plus actif dans l'élaboration de la politique publique.

Dans cet article, Susan Phillips examine l'évolution des rapports entre les gouvernements, tout particulièrement le gouvernement fédéral, et le secteur bénévole et communautaire au Canada, ainsi que leur incidence sur la gouvernance et la citoyenneté. Contrairement à ce qui s'est passé en Grande-Bretagne — où une reconfiguration délibérée des rapports entre l'État et le secteur bénévole et communautaire a été la pierre angulaire de la « troisième voie », l'approche de la gouvernance adoptée par le New Labour —, le régime de citoyenneté n'a pas fait l'objet au Canada de réformes conçues pour permettre aux organisations bénévoles et aux citoyens de participer plus étroitement à la conduite des affaires publiques. On ne peut donc d'emblée considérer que la gouvernance au Canada repose effectivement sur le partage et la collaboration.

Dans une première partie, l'auteure se penche sur la notion de gouvernance et décrit trois façons très différentes de concevoir le contrôle partagé et la démocratie élargie, suivant qu'on met l'accent sur l'État, sur les réseaux ou sur les citoyens. La *gouvernance communautaire* met l'accent sur une plus grande participation des citoyens à l'action publique ainsi qu'à la délégation de pouvoirs aux gouvernements et aux agences qui sont le plus près des citoyens. La *gouvernance en réseaux* attache plus d'importance à la mise en place et à la gestion de réseaux et partenariats unissant des acteurs publics et privés. La *gouvernance par les citoyens*, qui suppose une décentralisation très poussée du contrôle depuis les gouvernements vers la société civile, nécessite la création d'institutions et de cadres politiques nouveaux pour favoriser le dialogue et la collaboration. Dans quelle mesure le Canada a-t-il façonné une conception distincte des rapports entre l'État et le secteur bénévole et communautaire à l'ère post-NGP ? Dans la

mesure où il existe une « voie canadienne », se rapproche-t-elle de l'un ou l'autre de ces trois modèles de gouvernance ?

Dans son examen critique de l'évolution des rapports entre l'État et le secteur bénévole et communautaire, Susan Phillips constate que la gestion publique ne se conforme pas autant au modèle de la gouvernance partagée, tout au moins en ce qui a trait à l'élaboration des politiques, que semblent le suggérer la théorie ou la perception populaire. Elle explique qu'une approche typiquement canadienne des relations État-bénévolat s'est développée, mais qu'on ne serait pas en mesure d'affirmer qu'elle relève d'une conception dynamique de l'acte de gouverner car elle a davantage été façonnée par des événements externes que par la volonté d'établir et de maintenir de nouveaux modes de gouvernance partagée.

Selon l'auteure, même si le gouvernement fédéral évoque aujourd'hui une façon typiquement canadienne de gouverner, trois difficultés tout aussi typiquement canadiennes imposent des limites importantes à l'étendue des pouvoirs qu'il est disposé à partager avec les acteurs du secteur bénévole et communautaire. La première de ces difficultés tient à notre préoccupation obsessive envers l'imputabilité. En raison des exigences plus strictes imposées ces cinq dernières années par le fédéral en ce qui a trait au financement public du secteur bénévole, la nature contractuelle des rapports entre les deux, élément dominant de la NGP, s'est renforcée encore davantage plutôt qu'elle ne s'est transformée en une relation reposant sur la confiance.

Deuxièmement, le Canada n'a ni assoupli ni refaçonné l'architecture qui permettrait aux organisations bénévoles et communautaires de collaborer à la gouvernance partagée. En particulier, on n'a toujours pas mis en place le cadre législatif et réglementaire propre à aider ces organisations à devenir de véritables partenaires en gouvernance.

Enfin, la notion suivant laquelle le secteur bénévole et communautaire offre principalement des services a eu un effet contraignant sur la construction de réseaux et sur la participation aux processus politiques. Ce secteur a lui-même été débordé par l'élargissement de son rôle en tant que fournisseur de services — un rôle qui suppose un degré élevé de co-production et de collaboration en même temps que de concurrence. C'est pourquoi il n'a pu concentrer ses efforts sur le développement de capacités propres à lui permettre de formuler des politiques afin de participer à la gouvernance et a dû se contenter de les mettre en pratique.

Bref, bien que le secteur bénévole et communautaire ait un rôle crucial à jouer aussi bien dans le domaine de la citoyenneté que dans celui de la gouvernance, le Canada n'a, jusqu'à présent, transformé ce potentiel en réalité que de façon partielle. Dans les faits, nous avons créé une « troisième voie déficitaire » plutôt qu'une troisième voie au plein sens du terme.

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Susan D. Phillips

Introduction

The notions that the process of governing in the public interest is now distributed and shared among a wide range of actors from the public, private and voluntary sectors and that the state's role has shifted from exercising direct control and operating through hierarchies to working collaboratively through networks are widely accepted. Indeed, the concept of shared governance has been repeated so often in the academic literature in recent years that it has come to be taken as fact. In addition, there is an implicit assumption that this model of shared governance produces better-informed policy and reinforces active citizenship, because it involves civil society organizations and citizens in a broadly inclusive manner.

In the same way that Canada followed the lead of other countries into the new public management (NPM) in the late 1980s and early 1990s, albeit with greater pragmatism and less ideological charge than many jurisdictions (Aucoin 1995), we have adopted the idea of shared governance and the reconfigured citizenship regime associated with it. We are now emerging out of NPM as tentatively and pragmatically as we entered into it. Although shared governance is being taken up to varying degrees in many places (Salamon 2001; Pierre 2000), its origins are in Europe — primarily in Britain — where it developed in tandem with, and indeed became a cornerstone of, New Labour's philosophy of the Third Way. There have undoubtedly been some significant shifts in governing in Canada over the past five years, but have we arrived at a full-blown model of governance? Or have Canadian academics and practitioners simply been reading too many British policy journals?

This paper focuses on the changing relationships between government, particularly the federal government, and civil society, and it assesses the implications for both governance and citizenship. In taking a hard look at this relationship, I argue that governing is not as networked or as shared — at least with the voluntary sector and with respect to policy development — as popular conceptions adopted from the European literature would suggest. A homegrown Canadian approach to government-voluntary sector relationships has developed, but it is detached from a strong philosophy of governing and has been shaped more by exogenous events than by a desire for new modes of shared governance.

In recent years, federal government documents have described a relationship with civil society that seems to echo Britain's Third Way. Our distinctively "Canadian way" has been described as "working together, balancing individual and government action and listening to citizens" (quoted in Brodie 2002, 391), and as government helping "communities to help themselves" (Government of

Canada 2004, 12). Nevertheless, three peculiarly Canadian challenges have placed significant limits on how much power the federal government has been willing to share with nonstate actors. The first has been our consuming concern with accountability. But the reality for the voluntary sector has been not too little accountability in relation to government, but too much. Following the 2000 media frenzy over grants and contributions at Human Resources Development Canada (HRDC), the federal government responded by severely tightening accountability requirements in public funding of the voluntary sector (Good 2003). This meant that, rather than evolving from the contracting regime, which had been the dominant approach to government-voluntary sector relationships during NPM, into more trust-based relationships, contract-like relationships were reinforced.

Shared governance is more than a process: it requires an architecture or a framework of "metagovernance" to support it. The second factor limiting shared governance is that Canada has not developed or remodelled this supporting architecture. In particular, the enabling legislative and regulatory environment that would help to make voluntary organizations effective governing partners is not in place. Third, the view that this sector primarily provides services rather than engaging policy has constrained the building of networks and participation in the policy process. The voluntary sector itself has been overwhelmed by the expansion of its role as service provider — a role that involves considerable co-production and collaboration as well as competition — and consequently has not focused on building its own policy capacity and "political capital" (Sørensen 2002, Sørensen and Torfing 2004) in order to be able to participate in governance rather than merely in implementation.

This paper explores how each of these factors has contributed to a distinctive Canadian path in governance and citizenship, and it argues for ways to improve the relationship between the state and the voluntary sector so that the relationship is more suited to the contemporary challenges of governing.

Citizenship and the Voluntary Sector: An Overview

Citizenship has become an important concept for framing our understanding of the nature and practices of democratic life in diverse societies (Kymlicka and Norman 2000). The contemporary view of citizenship extends beyond a legal form that confers rights and passports to members of a particular nation-state. Rather, it stresses that citizenship is about relationships, both between citizens and the state, which has authority over the political community, and among citizens,

because they are members of that political community (Jenson and Papillon 2000). A citizenship regime is defined as "the institutional arrangements, rules, and understandings that guide and shape concurrent policy decisions and expenditures of states, problem definitions by states and citizens, and claims making by citizens" (Jenson and Papillon 2000, 5). A citizenship regime embodies four key dimensions: the mix of responsibilities between the state, the market and community; the rights and responsibilities of citizens; access to the political power that facilitates the development and protection of these rights and responsibilities; and a sense of identity or belonging that results from how one is treated as a member of the political community (Jenson and Phillips 1996; Jenson and Papillon 2000).

Although most analyses of citizenship regimes have concentrated on state institutions and their impact on individuals or social groups, the voluntary sector has an important role to play in constructing and maintaining citizenship regimes. In an important sense, voluntary organizations form an intermediary layer between the state and citizens that affects who is represented, how and on which kinds of claims. In particular, the voluntary sector plays several key roles in citizenship (Laforest and Phillips 2002; Phillips 2002). First, voluntary organizations allow citizens to make claims and express their interests and identities, as these are often articulated in the context of collective action. Second, voluntary organizations are themselves sites for the practice of citizenship. Through voluntary, collective action in democratic organizations, citizens learn and practise the skills of public debate, compromise and trust (Putnam 2000). As Walzer notes, "the civility that makes democratic politics possible can only be learned in the associational networks" of civil society (1992). The third role is as a means of representing the identities and interests of citizens and of pressing their claims to the state. By engaging in public policy debates, voluntary organizations can convey to governments the experiential knowledge of their communities as well as expert or technical knowledge they have acquired through research and service delivery. Finally, the voluntary sector is important in promoting inclusiveness and social cohesion. Taken individually, voluntary organizations are by their very nature particularistic, aimed at achieving a specific mission or serving a specific community. Taken collectively as a *sector*, this intermediary level provides an organizing and governing structure for citizen representation and participation. As an institutionalized form, it influences what kinds of associations arise around which causes; the political space afforded for the creation of new associations; and the ways in which associations representing different causes — operating at the local, provincial, national and international levels — relate to each other. The ability to extend the opportunities for participation to the population at large hinges on how inclusive the sector is.

The recognition and configuration of these roles in citizenship are played out in policy debates over recognition of the sector's autonomy; the legitimacy of advocacy and opportunities to engage in policy processes; institutional arrangements, including enabling regulatory regimes and the stability of funding relationships; and respect for diversity and the promotion of inclusiveness. The state can enable the voluntary sector to play a full role in citizenship by providing funding, fair and responsive regulatory regimes and support for capacity-building. However, the state may also limit the role of voluntary organizations by the nature of the regulatory and other accountability-related requirements it imposes on them, particularly on those organizations that enter into contracting relationships with it. Moreover, a government's attitude regarding the legitimacy of voluntary organizations engaging in advocacy on behalf of their constituencies affects the sector's role in citizenship. By providing mechanisms through which advocates can have access to the policy process and engage in an ongoing dialogue with government officials, the state can reinforce a particular representation of the sector. The identity of the voluntary sector is thus reflected in the extent to which governments treat it as relatively autonomous. Although the operational aspects of relationships between governments and voluntary organizations almost always involve some measure of interdependence, recognition of the principle of autonomy influences mutual understanding of the rules of engagement according to which government will interact, consult and contract with those voluntary organizations. It is in these connections and rules of engagement that the construction of citizenship is so intimately linked with models of governance.

A Closer Look at Governance

At the core of shared governance is a relationship between the state and civil society, restructured in ways that shape and reinforce the identities, rights and responsibilities of citizenship and that fundamentally affect the degree of access to the state. Governance has been defined in many different ways, but the essence of the concept is that public and private actors act not separately but as part of voluntary, collaborative arrangements to serve a public interest (Kooiman 1993, 2-3). In short, the process of governing is shared, and in this paper the term "governance" is used to refer to what is sometimes labelled "shared governance." More specifically, Rhodes defines governance as "self-organizing, interorganizational networks characterized by interdependence, resource exchange, rules of the game and significant autonomy from the state" (1997). This implies a

democratization of the process of governing, because more players, all with some measure of influence, are involved. It also suggests the use of a variety of governing mechanisms (for example, partnerships, agreements and voluntary codes) that do not rest solely on the authority and sanctions of government but connect networks of actors and are more responsive than they are controlling (Milward and Provan 2000, 239; Salamon 2001; Webb 2005).

Drivers of change

The impetus to a shift from a more state-centred, hierarchical and control-based model of governing to this more networked, collaborative approach has been a result of several forces, depending on the locale. One driver was ideological, related to attempting to find a third way of governing that was neither the market-based individualism of neoconservatives such as Thatcher and Reagan nor the heavy, statist approaches of old Labour. Used briefly by President Clinton as a metaphor for a different way of governing in a global context, the notion of a "Third Way" was fully embraced by Tony Blair and New Labour as "a rearticulation of the language of community and citizenship, reciprocity and responsibility, justice and fairness," and as a shifting policy agenda that strove for social inclusion, social innovation, partnership and longer-term reforms to public services (Newman 2001, 1-2).

The second precipitating factor was much more pragmatic. During the late 1990s, governments of various political orientations came to realize, and articulated, that they could not go it alone — that the state had become hollowed out to some extent and depended on voluntary and private sector actors to deliver public policies and programs. After years of contracting out and devolution under NPM, the organizations that really knew how policy worked "on the ground" and that could tap into community-based knowledge were nonprofit organizations; or, alternatively, those that knew particular industries were private sector firms and their industry associations. As part of an instrumentalism that was being espoused in intergovernmental relations and in public service generally in the late 1990s, itself driven by a concern over declining public trust in government (Phillips 2001), the federal government began to articulate the need to work together across sectoral and jurisdictional boundaries in order to get things done.

The third reason for a different approach to governing came about more by default than by strategy. Voluntary organizations, philanthropic foundations and business and industry associations were autonomously identifying community needs, delivering services, regulating themselves through voluntary codes and developing partnerships — activities in which governments were often but not

always invited to participate. A new governance was already happening to some degree; it just needed to be labelled and taken up as official governmental policy.

The impact of these three different driving forces varied from one country to another, in terms of both their relative importance and how far they carried a reformulation of the practices of governing. In Canada, either the impetus was overwhelmingly pragmatic, or change occurred by default. Any philosophical underpinnings were weakly developed, so much so that any serious moves to system-wide collaborative governance were easily diverted or derailed by intersecting events.

Distinguishing levels of governance

The mere existence of many different service providers or spaces and levels of policy decision-making does not necessarily constitute evidence of a model of governance. Rather, "governance" implies some measure of purposeful collaboration or coordination among these various actors. Such collaboration can happen at one of two distinct levels. The first and more common form of governance occurs around the delivery of specific services, programs or projects. Such project-based governance is often called a "public-private partnership" (P3), which is defined as a "cooperative venture between the public and private [or voluntary] sectors, built on the expertise of each partner, that best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards" (Canadian Council for Public-Private Partnerships n.d.). Although P3s can unquestionably be complex and the politics around them messy, they are in an important sense a relatively simple form of governance. The activity is often quite well defined, the partners relatively few in number, the reason for their presence based on a defined expertise, and the product or outcome fairly easily evaluated against predetermined criteria (often set out in contracts or memoranda of understanding). Even in less formal arrangements, governance in service delivery tends to be focused on solving a particular problem or meeting a specific need.

The politics of such collaboration thus tends to be "project based"; that is, it revolves around how to engage citizens or organizations in solving the problem at hand (Newman et al. 2004, 204), rather than being directed toward more fundamental questions about citizenship. Like P3s, governance around service delivery is often quickly transformed into a contracting relationship resulting from a competitive process, in which government becomes the principal and voluntary organizations the agents. For these reasons, this paper ignores P3s and project-based governance, and focuses instead on policy-based governance.

The form of governance that presents much greater challenges for citizenship and accountability is that related to decision-making around policy or

broader strategic directions. This level is often referred to as "metagovernance" — the "organization of self-organization" (Jessop 1998, 120). This is not a superordinate level of governance, but the governing arrangements that involve the generation of visions and the design of institutions, policy and regulatory frameworks (Somerville 2005, 118). As Jessop says, "Strategically, it promotes the development of shared visions which might encourage new institutional arrangements and/or new activities to be pursued to supplement and/or complement existing patterns of governance" (1998, 119). To a much greater extent than project-based governance, metagovernance or policy governance involves empowerment and capacity-building of nongovernmental actors. Even in the United Kingdom, where the Third Way has much deeper philosophical roots than it does in Canada, Somerville argues, governance is being democratized to a certain extent, but metagovernance is not (2005, 124). In Canada, we have been even more reluctant to open up this higher order of governance.

The elements of governance

If the concept of shared governance is going to be able to distinguish itself from existing forms of public consultation, it needs some definitional rigour. As a starting point, it is important to note that governance is both process *and* architecture. It does not replace or necessarily diminish representative democracy but supplements and fortifies existing democratic institutions, both by contributing to a more active citizenry through expanded opportunities for participation and by opening up additional spaces for dialogue. These spaces can subsequently inform and stimulate dialogue in our institutions of representative democracy. A model of shared governance involves five key elements.

Serving a public purpose

Governance serves a public purpose. That public purpose is twofold, however. The first dimension is to address a public policy problem, broadly defined, and the second is to enhance citizenship through the active participation of citizens. Accordingly, as Dean (1999) notes, shared governance must respond and be evaluated in relation to two distinct, intertwined and sometimes competing "technologies": those of citizenship and of performance. The technologies of citizenship (or agency) "seek to enhance and improve our capacities for participation, agreement and action" (Dean 1999, 173; see also Cruikshank 1999; Tooke 2003). The standards of success relate to whether the process has produced more informed, activist and skilled citizens; greater policy capacity and political capital in voluntary organizations; stronger networks among voluntary organizations;

and ultimately greater trust and confidence in and respect for other participants and the governance process itself. In contrast, the technologies of performance are concerned with getting the task at hand done efficiently, effectively and in a manner that is democratically accountable. This dual aspect of the public purpose creates for governments the potential for a certain tension between sharing the governing process and controlling it. On the one hand they need to engage nongovernmental partners in the process, and on the other hand they need to steer the process; bring it to a decision, action and closure; and be accountable for its outcomes.

As Rhodes notes, the danger of governance from the perspective of accountability is that, because responsibility for performance lies with the governance network as a whole rather than with the individual members, accountability may disappear in "the interstices of the webs of institutions which make up governance" (2000, 77). Alternatively, it could mean that what is demanded of governance partners is shared accountability without responsibility (Stoker 2004, 11).

Interdependent but autonomous actors

To say that the nongovernmental actors (leaders of voluntary organizations, representatives of networks and communities, and individual citizens) involved in governance are relatively independent of government is simply to reaffirm the very definition of civil society as constituting the "space of uncoerced human association and the set of relational networks — formed for the sake of family, faith, interest and ideology — that fill this space" (Walzer 1992). Once governance is sustained or institutionalized over an extended period of time (during which relationships may be tested), the issue of autonomy becomes important, for several reasons. The players involved are accountable to many actors — to their governance partners, but also to their own self-governing organizations and the constituencies they represent; and they must demonstrate such accountability, just as government must. In addition, the voluntary sector participants may have a variety of different kinds of relationships with government that extend beyond any one particular governance network — for instance, funding, regulatory or other partnership relationships — some of which may be harmonious and others contested (see Webb 2005).

Shared governance thus needs to leave space for independent as well as interdependent action. This entails a certain tolerance for allowing the participants to work both on the inside of policy processes, as members of governance networks, and outside them, as advocates (Craig, Taylor and Parkes 2004). It also means that among the actors there may be a certain "creative tension" between

collaboration and the challenge functions as well as competitive behaviour that provides valuable checks and balances (Webb 2005).

Constituting the "public(s)"

Who participates, and who they represent are key to the legitimacy and workability of models of shared governance. To some extent, governance is intended to be community-focused, to involve those directly affected by the issues at hand, whether the communities concerned are geographic, social, interest or epistemic. But communities and concepts of citizenship are to a large extent socially constructed, and public officials have always had considerable power to constitute the public(s) they wish to engage in dialogue (Barnes et al. 2003, 395). Central to governance, then, are three questions: (1) representation versus participation (does one need to participate directly to be effectively represented?); (2) representation versus representativeness (who do participants actually represent and how inclusive or representative are they?); and (3) the basis for inclusion versus that for exclusion (who determines who participates and who does not participate, and on what basis?). Although they are perhaps more contested for the nongovernmental participants, these concerns are not insignificant for government representatives, particularly when shared governance addresses issues that entail horizontal management across a number of departments or that are multilevel in nature, involving several governments.

A fundamental difference between NPM models of consultation and shared governance is that in the former the public were involved mainly as consumers rather than as citizens; that is, as decision-makers and as consumers of services rather than as political actors and shapers of policy (Graham and Phillips 1997). Although NPM advanced an interest in responsiveness and "citizen-centred" service delivery, it was also imbued with a mistrust of organized groups. This produced a model of representation that favoured individuals over organizations. The advantage of such a model is that it guards against criticisms of elitism (of the kind that older models of elite accommodation were subject to) and could be seen as being more "representative" in that it brings more dimensions of community to the process. Barnes et al. argue that such representation is premised on an essentialist view of the individual: it assumes that because a person is from a particular minority or locale or speaks a particular language, he or she can effectively represent the experiences of these constituencies (2003, 396). Alternatively, the issue of representation may be skirted by simply declaring that participants represent themselves rather than representing constituencies at all — that they are typical or "ordinary" citizens. Representativeness is not the same as leadership, however, and the ability of a broad cross-section of individuals to

be responsive and accountable to broader networks or constituencies — in the absence of organizational supports — is very limited.

The main questions of representation for models of shared governance are somewhat different from those that preoccupied NPM. When institutionalized governance relationships are established, the boundary between those on the inside and those on the outside of governance potentially becomes a sharp one, simply on account of the fact that those on the inside may be there for a considerable period of time. A key question of participants then is not so much "Who do you represent?" but "How do you connect to broader constituencies?" The responsibility for providing the means and resources to maintain a dialogue or a conduit between insiders and outsiders is rightly part of the sustaining architecture of governance, rather than being the responsibility of individual voluntary sector participants.

Whereas in NPM the frustration with representation was often due to a lack of coherence in the positions of the same constituency, a concern with governance centres on the institutionalization of elitism. One of the frustrations often expressed by government officials is that the "community" being represented does not speak with one voice. Indeed, governments have often orchestrated the representation of community voices by encouraging coalitions and alliances to develop a single voice before coming to government. For governance, the problem may be too much coherence and insufficient competition, which comes from a tendency to think like the other governing partners by virtue of having a close, ongoing working relationship with them. If governance diminishes autonomy, the ability of participants to be both governmental and societal watchdogs is diminished, raising serious concerns for democratic accountability. The challenge for governance, argue democratic-elite theorists such as Etzioni-Halevy (2003), is to encourage rather than contain competition among the organizations and elites involved in governance in order to promote openness to new ideas, greater transparency and accountability to the broader public. This, too, is part of the architecture of governance.

Mechanisms of deliberation

As a process, governance rests on a variety of mechanisms, usually involving face-to-face interaction, by which governmental and nongovernmental actors can deliberate, negotiate, compromise and collaborate in the interests of serving a public purpose. Because governance involves interaction over time, a higher-order understanding, either explicit or implicit, of the rules of engagement normally provides a guiding framework. These could be unstated norms of professional conduct or they could be codified framework agreements such as

the compacts and accords that governments and voluntary sectors in a variety of countries have signed in recent years to create mutual understanding and expectations for their behaviour toward each other (see Phillips 2004).

Two other factors influence the way in which collaboration unfolds. How the mandate is established, whether it is set unilaterally by government or negotiated by the partners as part of the governance process, has a significant impact on the work undertaken and how it gets done. Not only mandates but people matter in this process. Relationships of trust need to be nurtured, and they take time to develop. The caring for and tending of such relationships is greatly enhanced if the players remain the same long enough so they can get to know and trust one another.

Supporting architecture

Shared governance depends on both what is shared by bridging across networks or sectors *and* the foundational pillars on either side that support and sustain this exchange. Some of this infrastructure may support the governance process directly, while other dimensions have a more indirect effect, influencing the policy and organizational capacities of the participants and the nature of their other relationships with one another. In shared governance involving the voluntary sector, two types of supporting architecture are important. The first is the nature of the funding regimes, whether funding is direct or indirect. In Canada, 65 percent of the revenues of the voluntary sector come from governments — mainly provincial and municipal — in the form of contracts and purchase-for-service agreements, although the federal government also provides significant support for projects and contract services (Statistics Canada et al. 2004). Whether this funding supports core operations (which it now rarely does in Canada) or is project-based, the length of the funding horizons, the stability of the funding over time and the associated accountability requirements all have a major impact on the ability of voluntary organizations to plan strategically, retain staff and attend to policy rather than service delivery and fundraising.

Governments also provide indirect funding to a subset of voluntary organizations that they recognize as serving charitable purposes. With this indirect support comes a second pillar of the supporting architecture: the legislative and regulatory regime. Legal and regulatory frameworks determine which types of public-benefit organizations can be registered as charities in the first place, thereby conferring legitimacy as well as providing an incentive for donations. They also set limitations on political, advocacy and commercial activities and affect the liability of governing boards.

Alternative Models of Shared Governance

These elements of governance can be put together in various ways, with somewhat different emphasis and with very different institutional implications. The second generation of literature on governance — the recent work that has tried to unpack how shared control and democracy might actually be manifested — has identified three distinct models of governance. They are differentiated by their relative emphasis on government, networks or polity. All three models have relevance for Canada, and they are not mutually exclusive. Shared governance and stronger citizenship could be constructed on democratization from within the institutions of representative government, as well as by building collaborative networks and decentralizating power by creating new institutions for citizen and community participation. Each of the three routes would require somewhat different architecture, however. As we will see, Canada has been rather timid in following any of these three paths toward governance.

Community government

The notion of community government is built on the principle of strengthening accountability and responsiveness through greater participation by citizens in government (Sullivan 2003; Somerville 2005). The focus is on restructuring existing governmental institutions or creating new ones so as to enable deeper and broader involvement by a wide range of citizens, civil society organizations and communities. This might be done through either devolution or democratization. The former approach involves bringing policy- and decision-making closer to communities by devolving authority to governments or agencies that are closer to the community. In Britain, this has sparked a keen interest in a "new localism," whereby central authorities devolve responsibility to local government authorities, which are developing innovative and more inclusive ways to involve citizens. The objective of this strategy is to open up the existing institutions of representative democracy, not only at the local level but at more senior levels of government as well.

In both scenarios, government needs to develop the capacity to lead, not control. It must give up some space and control to enable a democratized process to have a meaningful role, although it would retain accountability for decisions and for the process as a whole. The challenge, as reports from experiments in the United Kingdom indicate, is that managerialist agendas focused on accountability often overtake support for democratization. Citizen engagement and accountability tend to be "constructed in terms of their potential to facilitate the implementation process — for example, by enabling managers to be more aware

of specific local conditions — rather than as matters of citizenship rights or good public governance" (Skelcher, Mathur and Smith 2005, 579).

Network governance

In this variant, sometimes called "mutualist" or "consociational" governance, the focus is on networks and partnerships among governmental and non-governmental players rather than on the government or the community per se. The underlying principle, suggests Somerville, is that "institutions should be controlled by their 'stakeholders,' organized on the basis of mutual benefit for all (which would confer both legitimacy and authority on the institutions concerned), and integrated within a regime of participatory multi-stakeholder governance" (2005, 129). In this model, the players are more likely to be organizations than citizens, but the defining features are the creation and maintenance of networks, whether orchestrated mainly by governments or by communities.

The primary role of government in this approach is to establish frameworks or rules for involvement and to act as the director of a hub of partners — in British parlance, to "join up" governing. The creation and management of network governance may entail the creation of new, relatively autonomous institutions, such as social enterprises that include representation of directly affected publics or formalized strategic partnerships (for instance, New Zealand's Stronger Communities Action Fund [Larner 2004]). In addition, this model is often supported by devolved or innovative funding arrangements, and it relies to a considerable extent on self-regulation by the networks (Newman 2001, 93). Making these networked forms broadly inclusive and cohesive depends on a number of factors, including the role played by two types of public servants and community leaders. The "strategic broker" or "social entrepreneur" serves to bring various parties together in the first place and helps instill a shared vision, while the "partnership manager" knows how to navigate government and the various communities (Larner and Craig 2005, 417).

Cohesion is not a given, however. It often needs to be negotiated by official or self-designated leaders and may require that contentious ideological issues be framed, quite purposively, in technical, means-ends terms rather than as fundamental values (Skelcher, Mathur and Smith 2005, 579). The greatest challenges for governments relate to the potential for a democratic deficit that arises from there being fewer, more elite participants who represent selected organizations (Sullivan 2003) and being able to develop appropriate accountability mechanisms that can contend with the shared responsibilities (see Auditor General of Canada 2002).

Citizen governance

The third model places the emphasis on communities and citizens — on inclusiveness of participation and a sense of equality among participants. It would go the farthest in decentralizing control from governments and rests on democratizing not only policy implementation but also metagovernance or priority-setting. Establishing this degree of citizen involvement and control often entails the creation of new decision-making rules, new frameworks for relationships and new institutions, such as civic forums and neighbourhood councils that "allow for authentic, normative and technical deliberation as well as community authority to formulate and implement policy." Citizen governance also implies that communities have a strong sense of identity and self-reliance so that they cooperate rather than compete, thus contributing to the ability to consensually set shared values and goals (Skelcher, Mathur and Smith 2005, 379). In this model, accountability, while shared, relies to a large extent on transparency.

The real challenge for government is how to scale up. Since most successful experiments in this type of community-first governance occur on a relatively small scale — in either place-based or interest-based communities — governments face the challenge of integrating and moving community decision-making into higher-order processes and institutions, including the traditional institutions of representative democracy. Even on a small scale, however, the instances of such devolution of authority combined with self-reliance are rare. Some celebrated examples, such as the Porto Alegre experiment in Brazil, have given proponents renewed belief that such models are possible in practice, not just in theory.

The Canadian Way: From New Public Management to Shared Governance?

To what extent has Canada carved out a distinctive approach to government-voluntary sector relationships in the post-NPM era? Does the "Canadian way," to the extent it exists, resemble any of the models of shared governance outlined above?

The account of the relationship between the Canadian government and the voluntary sector during the NPM era has been well told. The federal government had begun to support civil society organizations as early as the 1940s as an explicit attempt to integrate them into the emerging Canadian citizenship regime (Pal 1993; Jenson and Phillips 1996). Federal programs that supported particular categories of groups that enhanced a Canadian identity were initiated in the 1970s. They provided an important source of funding that built organizational

infrastructure and facilitated the development of a policy voice and a connection with the federal government through most of the 1980s. A variety of opportunities for consulting with organizations and citizens, through royal commissions, task forces and parliamentary committees, were available and groups were often funded to appear at these events.

Although Canada's experimentation with neoliberalism and NPM in the late 1980s and 1990s may not have been as ideologically driven or have reflected quite as much faith in market instruments as those in other jurisdictions, this period did see the dismantling of social citizenship programs and support for representation of interest groups. Financial support, where it was provided at all, was transformed from operational funding to project and contract funding, forcing greater competition among nonprofit groups and with for-profit groups (Ilcan and Basok 2004). This period saw more than the removal of program support for groups, however. It saw their legitimacy actively questioned and discredited: Who did they really represent? Indeed, the delegitimation was so successful that the label of "interest group" has virtually disappeared from the lexicon of Canadian political science.

The impact on voluntary sector organizations of the changes to funding, representation and social programming has also been well documented. Voluntary organizations cut costs to the bone; many closed programs; and many were significantly destabilized, unable to undertake strategic planning or retain high quality staff because of short-term funding horizons and the need to chase project funding (City of Toronto 2003; Scott 2003; Statistics Canada et al. 2004). Although there was also enormous resiliency and innovation in this sector for survival purposes, an overwhelming effect has been the self-imposition of restraints on public policy advocacy for fear of jeopardizing funding (Pross and Webb 2003; Scott 2003).

In effect, then, NPM pushed social citizenship into the voluntary sector, as voluntary organizations, not governments, were often the ones making decisions about who could, in fact, access which kinds of services, a reality that was based on limited capacity rather than on rights-based arguments (McDonald and Marston 2002). The exercise of the political dimensions of citizenship, however, was repatriated over this period from civil society to the state, as a result of the reduced tolerance for the participation of voluntary organizations in public policy education and advocacy and their diminished capacity to participate.

In the late 1990s, the Canadian government began, somewhat belatedly compared with other countries, to look at reconstructing its relationships with "community" and the voluntary sector. As Brodie notes, beginning in 1997, "the government embraced a new term — the Canadian Way — as an obvious appeal

to national tradition, identity and solidarity. The term also connotes a homegrown Third Way alternative to economic liberalism and postwar welfarism" (2003, 390-1). It would involve government working collectively with civil society, listening to citizens and having communities take greater responsibility for themselves. While there have been pockets of creative experimentation with various types of shared governance, I contend that Canada has not proceeded as far as other jurisdictions or as far as its own rhetoric would suggest toward any of the models of shared governance in the post-NPM era.

The challenges of devolution and democratization

Not surprisingly, a model of community government achieved through devolution has been less attractive in a country with a federal system, like Canada, particularly one preoccupied with national unity, than it was in unitary countries such as the United Kingdom and New Zealand, for example. In Canada, although funding for many social programs was cut during the neoliberal period and block funding reduced the policy levers available, the federal government has chosen not to absent itself by means of widespread devolution of authority to local communities, as has occurred elsewhere. As a means of promoting federal visibility for purposes of national unity and of connecting with individual citizens to restore greater trust in government, the government sought accords with provincial governments and in some instances initiated new niche or boutique funding in areas of provincial jurisdiction (Noel 2001). True, there is a new localism in Canada, but it is an urban and community agenda that explicitly reasserts, rather than removes, a federal presence in funding infrastructure and in delivering federal programs with community input.

The alternative means of arriving at community government, the democratization of existing institutions, at first appeared as though it would be a central part of the new Canadian Way. Prime Ministers Chrétien and Martin both made democratic reform a central plank of their electoral platforms, although for both leaders this primarily meant parliamentary reform rather than broader democratization involving the party system, public service or the creation of new institutions for dialogue with citizens. And both the earlier and the later Liberal initiatives were overwhelmed by partisan politics. Given that the current minority Conservative government has set accountability as one of its five priorities, and given a prime ministerial style that tends toward control rather than delegation, qualities like openness, inclusiveness and democratization have slid backward on the political agenda.

As well, in recent years, the institutions of the public service have become "thinner" in several important respects for the purposes of shared governance

(see Terry 2005). The controls are tighter and the hierarchies related to control and audit have become even sharper post-Gomery (Treasury Board of Canada Secretariat 2006). In addition, the program officers who used to facilitate between voluntary organizations and government have largely been turned into auditors (Phillips and Levasseur 2004). Mobility created by career opportunities due to retirements and a less restrictive classification system means that public servants move around frequently, thereby reducing their embeddedness in and knowledge of any particular constituency. With this instability of governmental participation, collaboration regularly needs to begin anew in the process of constructing trust-based relationships with different actors (see, for example, Social Development Canada 2004).

Limitations on networks

It is fair to say that greater evolution toward models of network governance has occurred in Canada. Outside of industry circles, where it has become quite common, however, it has occurred only in pockets — in a limited number of departments and usually where voluntary sector organizations have specific technical expertise to contribute to policy (as with many environmental organizations). The main reason for this is that the model of representation that dominates most attempts at shared governance in Canada is based on individuals rather than organizations. The emphasis rests on representativeness rather than representation. The general practice is to invite a broad cross-section of individuals to participate, representing themselves, because they have certain characteristics (for example, a certain language, region, gender or ethnocultural background). Such collections of individuals can be seen to be relatively inclusive and non-elitist, but there is little guarantee of— and there are often structural impediments to — their being able to connect to, negotiate on behalf of or be accountable to real networks or actual communities.

In instances where organizations are involved, governments often encourage and perhaps require them to come together as a coalition or partnership rather than contend with competition or differentiation of representation (Laforest 2005). This makes for a more efficient process but not a more democratic one, and such forced marriages seldom last.

Even the Voluntary Sector Initiative (VSI), which from 2000 to 2005 could be seen as *the* federal initiative of shared governance, worked with a model of individual rather than network participation. The 65 voluntary sector participants who sat on "joint tables" with equal numbers of public servants were chosen as individuals according to a matrix formula of representativeness (Phillips 2004; Social Development Canada 2004). This model did bring a

broad cross-sector of the voluntary sector to these joint tables, but it did not necessarily facilitate strong leadership. In fact, a number of the participants from very small organizations had little experience in policy or little contact with the federal government and could not contribute fully to the policy discussions or take the policy work back to their constituencies. A different challenge was evident on the government side: the lack of continuity in its participation. Over the course of the 18 months of the active collaborative work of the VSI, membership on the joint tables had a 30 percent turnover rate: 10 percent for the voluntary sector and 50 percent for government (Social Development Canada 2004).

In terms of substance, the VSI was frustrating for the leaders of voluntary organizations, because it got bogged down in operational matters rather than addressing the big policy items — the substance of metagovernance — that were at the top of their agenda. Government had set limits on the VSI mandate, and the sector's key issues (financing the sector, regulation of advocacy and the definition of charity) were not part of the joint deliberations. Nor did the process have tolerance for an inside-outside strategy. The sector leaders found it difficult to step outside the collaboration to go to the ministerial level on outstanding matters. This occurred partly because they were consumed with the enormous operational details of the VSI, which left little time to deal with policy, and because they were discouraged from pursuing a more political route until some of the contentious issues had been resolved *within* the VSI. As these were never resolved, the political routes were not readily accessible.

The ability to develop strong networked governance is also hindered by a lack of attentiveness to shoring up the supporting architecture. As part of the reconstruction of new state-voluntary sector relationships, many countries — countries as diverse as England, Estonia, Croatia and Hungary, among others — have devoted considerable attention to reforming the legislative and regulatory frameworks that provide access to the tax system for public-benefit organizations and set the parameters of advocacy activities. In addition, there is considerable innovation in new funding mechanisms that are more flexible than standard contracts or contributions when the goal is to invest in civil society organizations rather than to procure services from them.[7] Finally, many governments have begun to reinvest in infrastructure organizations — the umbrellas and federations that facilitate networking and self-regulation within the voluntary sector — although many other countries had never defunded these organizations to the extent that Canada did in the 1990s.

Canada has been timid in following international leads in all of these types of architectural supports. Although the regulatory body, the Charities

Directorate of the Canada Revenue Agency, has made extensive, positive changes to administrative practices and some regulations, it only administers the enabling legislation, the *Income Tax Act*, and thus can go only so far on its own. And there has been limited interest in more radical review by the Department of Finance, which controls amendments to the legislative framework and other parts of the public service. Even after pushing these issues for several years as part of the collaborative VSI, the voluntary sector could make little headway toward a more systematic review of the legislative foundations.

Perhaps the most limiting, indeed damaging, factor working against producing an environment that better enables shared governance is the tightening of the accountability regime related to funding that occurred in 2000 as a result of the controversy over grants and contributions at HRDC (Good, 2003), and that was made at least temporarily worse post-Gomery. The extraordinarily tight requirements for contribution agreements exert top-down controls and auditing that reinforce the principal-agent nature of these relationships and greatly reduce the autonomy of voluntary organizations. The result has been to stifle innovation, reduce trust and generate significant direct costs for voluntary organizations (Phillips and Levasseur 2004).

Perhaps most important of all, this control-based accountability regime has extended an advocacy chill over the entire sector: organizations do not want to stick their necks out with controversial public policy ideas and they have been reluctant to build or exercise their "political capital" (Sørensen 2002, 23). Political capital, in the context of citizenship and governance, refers to the "powers to act politically that are generated through participation in political processes linking market and civil society to the political system" (Sørensen 2002, 23). Such capital, argues Sørensen, is a function of endowment (access to resources and channels of influence), empowerment (the confidence to use these resources and channels and the political know-how to do so) and political identity (the sense that political action makes a difference). Without the confidence to exercise political capital, voluntary organizations can neither fulfill their role in citizenship nor be effective partners in various governance arrangements. Many national voluntary organizations are attempting to create greater knowledge of policy processes and more resources for effective participation, in order to have a stronger policy presence, but they cannot do this on their own. Rather, if governments are going to take seriously models of shared governance, they need to pay much more attention to the architecture of governance. This has not been the preferred route at the federal level in Canada, and there is no reason that it will change under the Harper Conservatives.

Conclusion

As a starting point, this paper has argued for more precision in the discussion of shared governance if it is going to be a useful concept at all. Although different models of governance may be built upon common elements, the means for achieving a broadly inclusive, democratized form of citizen government are likely to be quite different from those required for a more expert-based form of network governance. As well, partnership around service delivery is vastly different from collaboration for the purposes of priority-setting and policy-making.

More clarity is also needed in how we evaluate shared governance. A transition to governing that entails a more open and collaborative process involving multiple departments, levels of government and voluntary and private sector players has implications for — and should be assessed according to — standards of both citizenship and governance. Does it contribute to producing more informed, active and engaged citizens? Does it encourage voluntary associations to expand their policy capacity and engage citizens in a more effective and inclusive manner? Does it lead to more informed and more effective policy and programming (and for whom does it do so)? To some extent these dimensions are mutually reinforcing. For example, a more open and inclusive process probably contributes to both more active citizenship and more informed policy. But in other ways they are competing, even conflicting, as seen in the trade-offs involved in models of representation based on individual citizens versus organizations.

Finally, we cannot simply assume that shared governance has taken root in practice because it has become a dominant focus in the literature. This paper has argued that at the national level, Canada has not evolved as far toward models of shared governance involving the voluntary sector in policy development as many other countries have done or as the literature would have us believe. In part, this is because the transition in governance from NPM has not been driven or accompanied by a clearly articulated model of citizenship that lays out a third way or a new relationship between the state and the voluntary sector.

The voluntary sector is still largely seen by government to be a service provider. Its more political manifestations as voices of community and as policy advocates remain poorly understood and accepted. The policy instruments that dominate and shape a service relationship are overwhelmingly those of contracting rather than collaboration. Canada has not actively redesigned the supporting architecture — the legislative, regulatory and funding frameworks — that would enable the voluntary sector to begin to take a more activist role in both citizenship and governance. Government's preoccupation with accountability related to public funding, which began with its reaction to the political crisis of the HRDC

scandal in 2000 and has been reinforced and heightened with the sponsorship scandal, has layered on rules and top-down controls. The effect has been to limit the autonomy of the voluntary sector and inhibit the development of its policy capacity and political capital. Moreover, the focus on rules- and compliance-based accountability has limited the space for innovation and risk-taking, both of which are integral in sorting out the necessarily messy aspects of responsibility and accountability that come with shared governance. Put together, these factors have seriously undermined some of the key elements of models of shared governance.

But does it matter? Do we necessarily need to follow the lead of other countries in developing more shared governance? I think it does matter, because citizenship and governance themselves are changing. Not only has the public become less trusting and less deferential toward governments, but the legacy of the new public management and the complexity of public policy problems have reduced the ability and the legitimacy of governments to solve these problems on their own. In a country that increasingly defines itself by its diversity, the challenges of both citizenship and governance converge on building stronger relationships among citizens and between them and the state.[7] The voluntary sector has a key role to play in that process. But Canada has yet to realize the potential of shared governance. In effect, we have only moved part way toward a Third Way.

Notes

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1. There is a difference in view among Canadian scholars as to whether the changes in the mid-1990s represented a significant shift in the social citizenship regime (see Jenson and Phillips 1996) or were simply a more extreme manifestation of a regime that was already "mean and lean" in its provision of targeted social programs and was already less universal and generous than citizenship regimes in other countries (see Siltanen 2002).
2. England, Wales and the United States have perhaps been the leaders in such experimentation.
3. For more on diversity, see Evans (2005) and Graham and Phillips (2005).

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